

## COLD, HARD FACTS REGARDING HAWAIIAN-TEXAS OIL COMPANY, LTD., AS REPORTED BY ITS STOCKHOLDERS AND CITIZENS OF THE TERRITORY OF HAWAII

Honolulu, Territory of Hawaii, August 22, 1921.

We, and each of us as law-abiding and self-respecting citizens of the Territory of Hawaii, having a sincere regard for right of justice toward our fellow-men, hereby state that we have this day made a complete and rigid investigation into the affairs, manner of operation, financial standing, future possibilities, and a general analysis of the Hawaiian-Texas Oil Company, Ltd., and its relations with the International Investment Company, Ltd., as agents, and on behalf of all present and future stockholders and citizens of the Territory of Hawaii submit herewith an unbiased report as to our findings:

(1) The Hawaiian-Texas Oil Company, Ltd., was chartered December 15, 1920. The International Investment Company, Ltd., was chartered September 24, 1920, and the Hartford Oil Company obtained a permit according to law, and all of the said companies are authorized to operate under the Territorial Laws the same as any other legitimate business. Their Officers are men of unimpeachable characters and keen business judgment, as evidenced by the rapid progress the Companies have made since their inception.

(2) We find that the business affairs of The Hartford Oil Company and the Hawaiian-Texas Oil Company, Ltd., have no relation to each other whatever, being two separate and distinct companies, and their finances are entirely separate, each company standing upon its own merits. The International Investment Company, Ltd., is the agent for both of these companies and the records of each company are full and complete in every detail, showing conclusively that they are conducted upon a high plane.

(3) The Officers of the Hawaiian-Texas Oil Company, Ltd., paid in \$150,000.00 of the capital stock of the Company, and are the largest shareholders. There is no promotion or free stock issued to anyone, the Officers have paid for their stock the same as any other stockholder and are on an equal basis so far as profits are concerned. The Officers will make money from their investment only in proportion to the amount invested, exactly as other stockholders.

(4) The Company owns Sixty-Eight (68) Separate Leased Properties in the States of Texas and Oklahoma, totaling 6,613 acres, which are paid for in full. The Lease Holdings have been appraised by two disinterested, experienced oil men, who testified under oath that the fair cash value of the said leases on December 4, 1920, amounted to \$150,000.00, which was the exact amount paid by the Company. This method of appraisal prevents watered stock or inflated valuation for leases acquired.

A financial statement of the Hawaiian-Texas Oil Company, Ltd., as of July 30, 1921, is as follows:

ASSETS		LIABILITIES	
Cash in Drilling fund.....	\$ 74,000.00	Capital stock outstanding.....	\$247,388.30
General Expense .....	1,946.30	Accounts payable .....	8,257.55
Commissions Paid .....	28,893.15		
Office Furniture .....	806.40		
Original Cost of Leases.....	150,000.00		
	<b>\$255,645.85</b>		<b>\$255,645.85</b>

This financial statement shows only the actual original cost of the Lease Holdings, and does not take into consideration the enhanced value gained since the leases were acquired, nor the actual value of the producing oil well in the Okmulgee, Oklahoma, Field, which was successfully completed May 20, 1921.

(6) The cost of selling the present outstanding stock plus general overhead expense, as shown by the Company's books, is about 12 percent. This is an exceptionally low operating cost, and is conclusive evidence of the careful and efficient manner in which the finances of the Company are being handled.

(7) All records are kept in a highly efficient manner. The Stock Register shows that the shareholders have received full credit for every dollar invested. All disbursements are made by check, thereby showing exactly for what purpose the same were issued. The difference in amounts received and amounts paid out is on deposit in the bank.

(8) The Leases and Assignments covering the vast Lease Estate are on file in the Honolulu Office, and show that the same have been properly recorded in the several counties in which the properties are located and that the Company has a valid and lawful title to same.

(9) The Articles of Incorporation and By-Laws provide for the removal of any or all of the Officers of the Company at any time by the stockholders if they so desire, without giving any reason therefor, and the Board of Directors shall be elected annually by the shareholders, thus placing the affairs of the Company in the hands of local men who live right here in the Territory of Hawaii.

(10) Practically each and every one of the Hawaiian-Texas Oil Company's Sixty-Eight (68) Oil Leases have been greatly enhanced in value by an extensive drilling campaign that is being conducted by other companies owning leases located near those of the Hawaiian-Texas Oil Company, Ltd. Particularly is this true with the 40-acre lease in Stephens County, Texas, where several BIG OIL Wells which almost surround the Lease have recently been brought in. The Company's 40-acre lease in Zapata County, Texas, has also received considerable direct benefit as a result of Five new wells successfully completed and fourteen others now drilling. We conservatively estimate the Company's Lease and Producing Well in the Ogmulgee, Oklahoma, Field and its Stephens County, Texas, Lease to be worth more than the present outstanding stock, exclusive of the remaining Sixty-Six (66) Leases favorably located in proven and semi-proven territory in Texas and Oklahoma.

(11) Our report and conclusions are made from the private records and papers of every nature which were opened for full and complete examination to us, proving beyond question of a doubt that the Officers welcomed the strictest investigation and had nothing to conceal.

(12) We are more than convinced that this Company is organized and being conducted upon a fair, square, clean basis, with men of ability directing it toward success, and we firmly believe that an investment in its securities offers an unusual opportunity for large profits and that the Company and those in charge of its affairs are entitled to the fullest confidence and utmost respect of the people of Hawaii.

Respectfully submitted,

Signed: Geo. P. Tulloch  
Signed: H. Helbush  
Signed: C. B. Schrader

Signed: L. Conradt  
Signed: Joseph A. Sousa  
Signed: J. F. Kuroda

County of Honolulu,  
Territory of Hawaii.

I, G. Floyd Perkins, a Notary Public in and for the said County and Territory, hereby certify that the above and foregoing is a true and correct copy of the original report submitted by the investigation committee composed of stockholders of the Hawaiian-Texas Oil Company, Ltd., and citizens of the Territory of Hawaii. I further certify that the report was signed in person by each party whose name appears above, and that the original is now on file in the office of the Company, 202-204 James Campbell Building, Honolulu, T. H.

Given under my hand and seal, this 22nd of August, 1921.

G. FLOYD PERKINS,  
Notary Public for the County of Honolulu and Territory of Hawaii.

(Advertisement)

## Coast Hotel Men Are Urged to Help Hawaii and Benefit Selves

Not all of California nor all Californians, no matter how much they object to more aliens coming into their own state, are opposed to the labor relief measures that are being sought for Hawaii. The need, and the importance of the success of Hawaii's industries to themselves, is recognized by California hotel men as appears from the following editorial which appeared in the Western Hotel Reporter of August 20:

"Hotel Men, Help Hawaii!"  
"Hotel people of America and especially of California are vitally concerned in the welfare of the Hawaiian Islands. San Francisco is the clearing port for most Hawaiian business, and it is estimated that this city alone is in grave danger of losing a business of some \$60,000,000 a year if something is not done at once to relieve the labor situation in the Islands."

"The one remedy that can be applied at once to replenish the labor shortage in our Island possession is the granting by Congress of the petition of Hawaii to admit 25,000 Chinese laborers who are imperatively needed on the sugar and pineapple plantations. If this is not done it is said that the normal crops of 600,000 tons of sugar and 200,000 tons of canned pineapples will be reduced to one half. It is further asserted on good authority that if the 25,000 Chinese are not admitted to Hawaii it will mean that an equal number of white laborers will be thrown out of employment in the States."

"Inasmuch as travel to and from Honolulu is an important item of

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Tuesday, September 6th.

JAPANESE PICTURES

Wednesday, September 7th.

CONRAD NAGEL

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—also—

"THE VANISHING DAGGER"

—and—

PATHE NEWS

Thursday, September 8th.

ANITA STEWART

—in—

"MIDNIGHT ROMANCE"

—also—

"THE BRANDED FOUR"

—and—

PATHE NEWS

Friday, September 9th.

VIRGINIA PEARSON

—in—

"THE BISHOP'S EMERALD"

—and—

BURTON HOLMES

## KAHULUI THEATRE

Tuesday, September 6th.

WILLIAM FARNUM

—in—

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—also—

"THE LOST CITY"

—and—

MUTT and JEFF

Wednesday, September 7th.

JAPANESE PICTURES

Thursday, September 8th.

MARION DAVIS

—in—

"BURIED TREASURE"

—also—

"THE FIGHTING FATE"

—and—

PATHE NEWS

Friday, September 9th.

ANITA STEWART

—in—

"MIDNIGHT ROMANCE"

—also—

"THE BRANDED FOUR"

—and—

PATHE NEWS

hotel business in San Francisco and further because the volume of such travel is largely dependent on the prosperity of the Islands, would it not be a good idea for hotel interests of the West to get solidly behind the petition to Congress?

"Write today to all the United States Senators and Congressmen you know."

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## HOW ABOUT THE JAPANESE?

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